

Supreme Court, U. S.

**FILED**

AUG 24 1977

MICHAEL RODAK, JR., CLERK

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IN THE  
**Supreme Court of the United States**  
October Term, 1976.

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No. 77-129

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NATIONAL MICRONETICS, INC.,  
*Petitioner,*

*v.*

U. S. PHILIPS CORPORATION, NORTH AMERICAN  
PHILIPS CORPORATION, N. V. PHILIPS GLOEI-  
LAMPENFABRIEKEN,  
*Respondents.*

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**BRIEF FOR RESPONDENT U. S. PHILIPS CORPORA-  
TION IN OPPOSITION TO PETITION FOR WRIT OF  
CERTIORARI.**

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**Brief for Respondent U. S. Philips Corporation in Op-  
position to Petition for Writ of Certiorari.**

To the Honorable Chief Justice of the United States  
and the Associate Justices of the Supreme Court  
of the United States:

This is a run-of-the-mill case, unusual only in the extraordinary merit of the patented invention (given the rare encomium of being called “a flash of brilliance” by the Court of Appeals (A17)<sup>1</sup> and called “a real milestone in the development of magnetic heads” by a renowned expert<sup>2</sup>), which led the District Court to uphold its validity and to find it infringed, in a “well reasoned” decision (A6) which was affirmed by the Court of Appeals, with one member dissenting.

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<sup>1</sup>“A—” refers to the indicated page of the Appendix attached to the Petition. “—a” refers to the indicated page of the printed Appendix before the Court of Appeals.

<sup>2</sup>See fn 12, page 7 below.

As this Court has said, "jurisdiction was not conferred upon this court merely to give the defeated party in the circuit court of appeals another hearing".<sup>2a</sup> Thus, this Court does not undertake review of concurrent findings by two courts below, in the absence of a very obvious and exceptional showing of error,<sup>3</sup> especially where the petition essentially seeks review of complicated questions of fact.<sup>4</sup> This Court has made it clear that certiorari is to be granted "sparingly, and only in cases of peculiar gravity and general importance, or in order to secure uniformity of decision", and will not be granted in "ordinary" patent cases, "with the usual issues of invention, breadth of claims, and noninfringement", unless necessary to reconcile decisions on the same patent.<sup>5</sup>

This petition is the latest attempt by a conceded copyist to delay paying a reasonable royalty for its unauthorized use of this important patented process.<sup>6</sup> The petition seeks

<sup>2a</sup>*Magnum Import Co. v. Coty*, 262 U. S. 159, 163 (1923).

<sup>3</sup>*Graver Tank & Mfg. Co. v. Linde Air. Prod. Co.*, 336 U. S. 271, 275 (1949). *Faulkner v. Gibbs*, 338 U. S. 267, 268 (1949).

<sup>4</sup>*National Labor Relations Board v. Waterman S.S. Corp.*, 309 U. S. 206 (1940); *United States v. Johnston*, 268 U. S. 220 (1925); *General Talking Pictures Corp. v. Western Electric Co.*, 304 U. S. 175 (1938).

<sup>5</sup>*Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 U. S. 251, 258 (1916).

<sup>6</sup>*Keller v. Adams-Campbell Co.*, 264 U. S. 314, 319 (1924).

<sup>a</sup>Respondent U. S. Philips Corporation is a patent-licensing company which has consistently made its patents available to industry on a reasonable-royalty basis [566a-575a]. Contrary to the inferences sought to be planted by petitioner (Pet. 4-5), respondent has not tried to monopolize use of the patented process, but has continuously offered petitioner a license, both before and after trial, with the last offer at the equitable rate of but 5%, with partial forgiveness for past use.

review of the concurring decisions below, which upheld the validity of this landmark patent, solely on the basis of petitioner's disagreement with the Courts below. Although asserting conflict with the decisions of this Court and of other Courts of Appeals, in reality no unusual question of law or fact is involved, there is no issue of public significance here, there has been no departure from the accepted and usual course of judicial proceedings, and the matters involved have been thoroughly considered by the District Court and adequately reviewed by the Court of Appeals. In short, no reason exists for the intervention of this Court.

### The Parties.

U. S. Philips Corporation, as the plaintiff below and the owner of the patent in suit, is the only real respondent. North American Philips Corporation and N. V. Philips Gloeilampenfabrieken are merely defendants to a third-party complaint and are not concerned with the issues presented here.

### Statement of the Case.

Petitioner's Statement of the Case (Pet. 3) sets forth an incomplete and inaccurate review of the facts here. The comprehensive opinions of the District Court (A45-60) and of the Court of Appeals (A1-18) set forth most of the salient facts, but petitioner's serious distortions and omissions require the following clarification and supplementation.

#### A. The Issues Presented (Pet. 3).

The patented invention overcame two main difficulties of prior processes, which stood in the way of quantity production of magnetic recording heads, needed for the emerging computer art. The first difficulty was that, in volume

production, products inevitably will not be absolutely identical, so that as a result of the manufacturing processes used previously, the gap lengths of recording heads varied by more than allowable tolerances [122a-24a, 269a-70a, 189a]. The problem in obtaining the necessary uniformity and reproducibility of gap lengths was aggravated by the extremely small dimensions involved: it was necessary to provide glass-bonded gaps of but 100 microinches (millionths of an inch) between the polished ferrite surfaces, with a latitude of only 10 to 15 microinches [509a-10a]. This tolerance is far less than 1/100th of the thickness of a sheet of ordinary paper or of a human hair.

The second difficulty was the bubble problem, i. e., the tendency in prior processes for minute gas or air bubbles to be occluded as tiny pockets within the glass gap material adjacent the ferrite surface, producing areas of the brittle ferrite which are out of contact with and unsupported by the glass. Such bubbles would lead to degradation of the ferrite during further manufacturing steps and would impair the magnetic effectiveness of the head, in that the head would behave as though its gap were longer than the actual physical length, and would thereby exceed the permissible tolerance [127a, 133a, 142a-46a, 212a, 318a].

For nearly a decade, the problems of close reproducibility of gap length to tight tolerances, plus elimination of bubbles and attainment of high yields, by a process suitable for commercial production, remained unsolved despite the efforts of skilled scientists from prominent firms such as Siemens-Halske, N. V. Philips, Ampex, IBM, IIT Research Institute, Armour Research Foundation, and General Electric Company [390a-91a; 519a, 529a-30a, 401a; 427a, 533a; 437a; 358a, 397a; 391a].

The patent in suit specifically discusses these problems, saying it is directed toward manufacturing magnetic heads with very short gaps within close tolerances by economical and simple processing, and making the gap material homogeneous and bubble-free [355a].

The patented invention was a complete departure from prior teachings under which the glass was sandwiched between the polished faces of the ferrite bars as a first step, before the bonding operation, then heated to soften the glass while applying considerable pressure, so as to move the ferrite pieces together while squeezing the softened glass to accomplish a flow of glass, and bonding upon cooling. In some cases shims were used in an effort to limit the movement of the ferrite pieces toward one another, by stopping the moving piece, but this was not effective to afford uniformity of resulting gaps (A12, A10-11).

Under the patented process, the ferrite bars were first maintained in a fixed relationship at the appropriate desired spacing, independent of the glass, by the use of fixed pre-dimensioned spacers held between the ferrite pieces and having a thickness equal to the final desired gap, thereby defining a *pre-set* empty gap. Thereafter, the glass was placed adjacent to but entirely *outside* the pre-set gap. Then, upon heating the glass to a fluid state, it was sucked into the pre-set empty gap by capillary action, without requiring pressure on or movement of the ferrite pieces. On cooling, the bars became bonded together by the glass, and thereafter were sliced to form individual glass-bonded cores, each of which is used as a portion of a recording head.

Contrary to the repeated contentions of petitioner, the use of capillary action was not "*the particular factor*"<sup>9</sup>

<sup>9</sup>Emphasis added throughout, unless otherwise noted.

relied upon for patentability (Pet. 3), or "the asserted contribution" (Pet. 6), nor is "the only issue" the method of filling the gap (Pet. 6). Rather, as both the Trial Court and the Court of Appeals found, the patented process is a *combination* of steps *never previously suggested* for this purpose, individually or in this specific combination, namely, first *pre-fixing* the ferrite gap surfaces at the required minuscule gap spacing by shims of thickness equal to the desired gap length, then placing glass adjacent but outside the gap, and finally heating the glass to a fluid state *outside the gap* so as to cause it to flow into the gap by capillary action, without requiring any movement of the gap surfaces.<sup>10</sup>

Only by the combination of these features was it possible to produce finished microscopic recording head gaps of precisely reproducible dimensions with the unexpected high yields (90%) obtained (A13).

Contrary to what was expected from the geometry of the situation,<sup>11</sup> gas pockets and bubbles were found to be no problem; it was unexpectedly found that the glass which filled the gap after the bonding was completed contained far fewer bubbles than in glass-bonded ferrite heads manufactured according to previous techniques [188a].

There were no available teachings which would lead one to expect that it would be technically feasible to fill completely such a relatively long and narrow channel by capillary action on a reliable and closely-reproducible basis [213a-15a]. It was not predictable in advance that fewer bubbles would be created or that higher

<sup>10</sup>See representative claim 1, A4-5.

<sup>11</sup>In the usual case requiring flowing molten glass into a minuscule gap for a depth of over 1000 times the gap size and over a gap front of more than 6000 times the gap size [213a-15a].

yields of uniformly dimensioned gaps would be realized [189a, 193a-94a]. These results constituted unexpected and highly significant advances in the art of magnetic head manufacture. The patented invention thus made possible the manufacture of glass-bonded magnetic heads on a production basis within the uniform tolerances required.<sup>12</sup> Smaller gap lengths are attainable, accurate within closer tolerances, and with far greater reproducibility and fewer rejects.

Thus, the "subject matter as a whole" of the patent (which is the vital factor in determining validity under 35 U.S.C. §103) is not merely the use of capillary action but a combination of new steps never before combined or suggested to be combined, essentially first presetting the gap, and thereafter causing the fluid glass to flow into the pre-set gap by capillary action without moving the ferrite pieces. This is the holding of the Courts below. The District Court mentioned that claim 1 recites that the unfilled gap is "pre-fixed" (A47) and that the "crucial feature" is the use of capillary action *to fill a preset gap* (A57). The Court of Appeals found a significant difference in the use of the pre-set gap and placing the glass outside the gap rather than between the ferrite pieces (A12), so as to prevent them from moving toward one another which would result in gap variation (A12).

<sup>12</sup>Plaintiff's industry expert, Mr. Otto Kornei, an inventor in this very field [347a] with long experience with the pioneer Brush Development Co. and with IBM [85a-88a], said: "It can be said without any exaggeration that without the Peloschek patent, the enormous numbers of magnetic recording heads required in modern computers could never be produced in an economical way" [272a]. "... the Peloschek patent was a real milestone in the development of magnetic heads ... the Peloschek patent for the first time has made it possible to obtain close tolerances and inexpensive mass fabrication of glass-gapped ferrite heads" [328a].

It is therefore a finding of fact, concurred in by both Courts below and fully supported by the record here, that the inventive contribution was the combination of pre-fixing the gap and flowing in glass by capillarity. It is also a fully supported finding of fact that this contribution was not disclosed or suggested by the prior art<sup>13</sup> (A13). Indeed, the prior art taught that glass was *unsuitable* for capillary action (A14). Such matters form the antithesis of the type of issue appropriate for review by this Court on certiorari.

Petitioner takes liberties with the decision below in asserting (Pet. 3) that the Court of Appeals "acknowledged" that the elements of the patent in suit existed in the prior art. The Court in fact stated (A18) that only "in its most favorable light" did Petitioner's evidence show this; however, the Court of Appeals found it "extremely doubtful" that this prior art was pertinent (A13), and went on to find that "the proof is overwhelming that [the prior art citations] do not suggest to one ordinarily skilled" that "capillarity might be used in combination with existing processes as a means of producing very minute gap dimensions within the narrow tolerances demanded by the trade" (A13).

Petitioner is also incorrect in urging that "the *only* issue relates to the method of filling the gap" (Pet. 6). The method involved here is that of producing magnetic heads, not merely of filling gaps; the patent claim recites "A method of manufacturing portions of magnetic heads" (A4).

<sup>13</sup>A further fully supported finding of fact is that the pertinent art is that of glass bonding (A57). The Court of Appeals was generous to Petitioner in saying merely that the pertinence of the capillary action prior art was "doubtful" (A13). The Court gave every leeway to Petitioner, but ruled that, even if pertinent, the proof was "overwhelming" that that prior art failed to suggest the patented invention (A13).

The issue sought to be presented here is merely to the effect that the concurring opinions of the Courts below were wrong; couching this issue in the form of the "constitutional criterion of invention" or "the standards for determining obviousness" or the "weight to be given to secondary indicia" or the "legality of deciding validity of a patent on a basis not stated in the claims" (Pet. 4) was undoubtedly an attempt to evoke the interest of this Court by high-sounding phrases. Boiled down to the essence, Petitioner merely wants another chance to argue the same points it unsuccessfully urged upon the Courts below.<sup>13a</sup>

#### B. The Opinions Below.

Petitioner misinterprets the District Court's decision in arguing (Pet. 8-9) that validity was upheld solely on the basis of the Second Circuit *Timely Products* case.<sup>14</sup> The District Court expressly followed the guidelines of this Court in the *Graham* case,<sup>15</sup> and considered the scope and content of the prior art (A50-A54), and the differences between the prior art and the claimed invention (A54-A58), and then concluded expressly

<sup>13a</sup>The assertions in the petition (Pet. 4-5) as to other patents of N. V. Philips (not at issue here) and as to supposed anti-trust violations are obvious pejorative statements clearly immaterial here and aimed at distracting from the true issues. There has been no ruling below as to any monopoly or attempted monopoly or other anti-trust violation, and there is no evidence to support any such assertions, whether direct or implied. The contrary is proven by respondent's offer of license, both generally and to petitioner [566a-571a]. The patent in suit obviously cannot extend any monopoly of other patents; it affords a limited constitutional monopoly only for its own invention and for its own seventeen-year term.

<sup>14</sup>*Timely Products Corp. v. Arron*, 523 F. 2d 288 (2 Cir. 1975).

<sup>15</sup>*Graham v. John Deere Co.*, 383 U. S. 1 (1966).

that Petitioner had failed to sustain the burden of establishing the defense of patent invalidity for obviousness (A58). The failure of other skilled workers in the field dispelled "any lingering doubt" (A60), but was clearly not the sole foundation for the ultimate conclusion.

Petitioner also distorts the decision of the court below in contending that the only ground for rejecting petitioner's argument on obviousness was that the result achieved had been long sought (A4). On the contrary, after discussing the prior art in detail, the Court of Appeals found that the patent here "differs significantly from these prior art processes" (A12); that "the proof is overwhelming that [the prior art patents] do not suggest to one ordinarily skilled in the development of processes for the manufacture of magnetic recording heads that capillarity might be used in combination with existing processes" (A13); that "the capillarity concept would not have been apparent to one searching for a means of filling a pre-set gap" (A14); and that the art taught that capillarity was unsuitable for use with glass (A14). The Grant patent referred to by petitioner as the closest prior art (Pet. 7-8) was specifically found by both courts below to have substantial differences from the patented process and *not* to suggest that process (A13-14, A53-54, A56, A58). These facts by themselves justified upholding the patent's validity, and were re-enforced by the failure of predecessors to accomplish the desired results despite a decade of experimentation (A15). Thus, the foundation for the appellate court decision was not merely that the achievement of the result had been long sought, but the Court found the patented process to be unobvious and that "the apparent inappropriateness of capillary action as a means of solving the problem" was "further evidenced" by the long unsuccessful efforts by others. The Court of Appeals properly found that the

failure of others is *evidence* of non-obviousness (A10), in view of this Court's statements that unsolved needs and failure of others "have relevancy"<sup>16</sup> and are factors "susceptible of judicial treatment" and which "lend a helping hand".<sup>17</sup>

It is therefore clear that the Court of Appeals did follow the precepts of this Court in the *Graham* case, finding that the differences over the prior art were not such as to make the subject matter as a whole obvious, and reinforcing that conclusion by the further evidence of failures of others.

### C. The Questions Presented Are Fictitious.

The four questions presented by petitioner (Pet. 2) are essentially hypothetical and fictitious, and premised upon assumptions of fact not fairly based in this record, many having been rejected by the Courts below. These questions fail to reflect accurately or completely the facts of this case (see "Statement of the Case", above).

#### Question 1

Contrary to being in conflict with this Court's decisions, as petitioner assumes here, the Second Circuit decision expressly acknowledged, discussed and applied the standards set by this Court on validity of patents (A7, A16-A18).

#### Question 2

This question assumes that nothing novel was added by, and that no synergistic effect was obtained by, the

<sup>16</sup>*Graham* case, 383 U. S. at 17-18.

<sup>17</sup>*Idem*, 383 U. S. at 36.

invention. This is contrary to fact. The Courts below both found new, unusual and unexpected results.

The Appellate Court further did *not* base its holding upon a combination of existing elements, as the petition asserts, but concluded (A15) that the patent in suit "is significantly different from the prior art and represents a distinct advancement in the level of skill in the art". Moreover, the Court below stated that, "*even assuming*" that the patent "would represent a combination of existing elements", the invention would still satisfy the rigorous standards of 35 U.S.C. §103 (A15-17).<sup>18</sup>

### Question 3

This question is erroneously premised upon the assumption that there was "conceded" absence of any novel conception. The Court of Appeals held directly to the contrary. It said "The gap between the prior art and the Peloschek patent is enormous" (A17). It found that the patent was not "an unsuccessful re-refinement of an existing process" (A17). It held that the patent "differs significantly from these prior art processes" (A12). It confirmed the District Court's opinion, that "the capillarity concept would not have been apparent to one searching for a means of filling a pre-set gap" (A14).

### Question 4

This question assumes, without basis, that the Second Circuit relied upon "the asserted precision obtained by the process where no such claim was made by the patent" (Pet. 2). If by "precision" petitioner means the uniform

<sup>18</sup>A patent may of course be sustained because of the fact of combination rather than the novelty of any particular element. *Faulkner v. Gibbs*, 338 U. S. 267, 268 (1949).

reproducibility of gap length made possible by the invention, then this unique result ("unobtainable with the prior process" [A17] and "curing a problem in the art" [A17]) was of course significant to the decision-making process, and properly so. As shown below, this feature was directly claimed, being a *result* and an *advantage* of the claimed invention. However, this question assumes (again without foundation and contrary to the principles set down by this Court), that it is necessary that a patent claim, in defining the metes and bounds of the invention, must recite all of the advantages which flow from the invention.<sup>19</sup>

Hence none of these "questions presented" truly exists in this case. To reflect accurately the facts of this case, the basic question presented should be rewritten as:

Is a process patent valid, which solves the problem of attaining reproducibility with close tolerances of minute glass-filled gaps between polished ferrite surfaces for use in magnetic recording heads, and the problem of avoiding performance-impairing bubbles in the glass, by incorporating steps never before practiced separately or together in the pertinent glass-bonding art (namely, pre-setting the gap to its desired dimension by holding a spacing member of that dimension between the ferrite surfaces, and only thereafter causing fluid glass to fill the gap from outside by use of the known principle of capillary action) when there was no suggestion in the prior art that these problems could be solved by these steps or by the use of this principle and where the prior art for nearly a decade had unsuccessfully proceeded in a different direction.

<sup>19</sup>This point was expressly raised in petitioner's "Petition for Rehearing and Suggestion for Rehearing *In Banc*" to the Court of Appeals, denied without opinion.

## ARGUMENT.

### Reasons Why The Writ Should Be Denied.

The petition presents no proper question involving "special and important reasons" such as required under Rule 19 of this Court.

This is essentially a private dispute, between the owner of a highly innovative patent and a conceded copyist who seeks to avoid paying up for its piracy by raising hypothetical issues. There is no unusual question of law, or issue of public significance or departure from the accepted and usual course of judicial proceedings. The two contrived grounds for this petition are that there is supposedly a conflict with the decisions of this Court and that there is supposedly a conflict with decisions of other Circuit Courts. Both grounds are based upon false and unfounded premises which lead to erroneous conclusions.

#### 1. There Is No Conflict With Decisions Of This Court.

##### A. The Patent Was Properly Held Valid By Both Courts Below (Pet. 13)

Petitioner contends (Pet. 13) that the patent is invalid for obviousness in the light of this Court's prior decisions. However, the only foundations for this contention are unfounded premises contrary to concurrent findings below. Essentially, Petitioner cites propositions of law without regard to their applicability to the evidence present here, and fails (because it is unable) to point to evidence which might make these propositions viable here. Each of the seven points urged by petitioner is erroneous or inapplicable, as is now individually shown.

#### 1. *Peloschek Did Add To The Sum Of Useful Knowledge*

It is difficult to see how it can be seriously urged, as petitioner does here, that producing a result unobtainable with prior processes (A17) and providing the "milestone" process without which the expansion of the computer field would have been seriously inhibited, fails to contribute to useful knowledge. The Court of Appeals expressly held "The gap between the prior art and the Peloschek patent is enormous—the difference between success and failure" (A17). Both useful knowledge and benefit to the industry have been clearly contributed by this invention.

#### 2. *Achievement Of Better Results Enhances The Evi- dence On Non-Obviousness*

On this point, petitioner *assumes* "absence of true 'invention'"; the evidence and holdings are directly contrary.

The cited law on substitution of equivalents is irrelevant; there has been no finding or evidence on equivalents here.

Petitioner's statements (wholly out of context) on utility, commercial success, convenience, are inapplicable; as pointed out above (pp. 10-11), the Court of Appeals here did not find nonobviousness solely on these points.

References to work of a skillful mechanic or to application of an old process to a new and analogous use are also irrelevant since these factors do not exist here.

Petitioner here merely mouths principles inapplicable because requisite factual basis is absent.

### 3. *The Patent Here Meets Every "Severe Test" and Also Has Inventive Novelty of Individual Elements*

Petitioner's statements as to combining old elements are inapplicable here because the process steps are new, and because, even if old, they satisfy the standards set forth in the *A & P* and *Sakraida* cases,<sup>19a</sup> since there is non-obviousness in combining those steps (A15-16).

### 4 *The Differences Between Peloschek and The Prior Art Are Substantial*

Petitioner implies here that there are but small differences between the patented process and the prior art. The concurrent well-supported findings of fact of the courts below are to the contrary: the Court of Appeals expressly called that gap "enormous" (A17).

### 5. *The Peloschek Combination Produces a Synergistic Result*

It is of course elemental that "synergism" is pertinent only where the combination is only of old elements. This is not the case here, and any requirement for "synergism" is therefore inapplicable. However, even if synergism should be held necessary,<sup>20</sup> it exists here.

"Synergism" is a term of clear meaning when applied to chemistry or physiology. It is easy to see "synergism" when drug A produces a 10% improvement, and drug B a 15% improvement but their simultaneous effect is a 50% improvement.

<sup>19a</sup>*Great Atlantic & Pacific Tea Co. v. Supermarket Eqpt. Corp.*, 340 U. S. 147 (1950); *Sakraida v. Ag Pro, Inc.*, 425 U. S. 273 (1976).

<sup>20</sup>It is to be noted that "synergism" is not mandated by the statute; Sec. 103 of Title 35 requires *only nonobviousness*, whether synergism may exist or not.

However, it is not certain what would be meant by this term as applied to mechanical or physical rather than chemical or biological matters. It could be argued that a gear always acts only as a gear, a lever only as a lever, etc., and each works only in its known way and contributes only its own effect to an overall device; if this reasoning is accepted, there is no "synergism" in any mechanical or physical device or process, since the entire effect is the sum of the partial effects. But it has been recognized for decades that combinations of old elements can be patentable (e. g. *Faulkner v. Gibbs, supra*).

In mechanical or physical situations, like the present, "synergism" can have real significance only as a figure of speech to designate the need for an unexpected result, different in nature from the individual effects of the elements. As already shown, exactly such results appear here.

Petitioner's argument that the Peloschek process does not produce a synergistic result was presented to the Court of Appeals<sup>21</sup> and repudiated by it. The Court found that "the Peloschek patent produced a result unobtainable with the prior processes" (A17). The unexpected results of uniform reproducibility and of bubble elimination evidence the existence of synergism.

### 6. *Solution of a Problem Long Eluding Others Is Evidence of Non-Obviousness*

In this point petitioner again erroneously assumes that the *only* basis for the validity holding was solution of a problem, and further erroneously assumes that the Peloschek invention was a new use of an old art. These assump-

<sup>21</sup>"Appellant's Brief" to the Court of Appeals, page 17-19.

tions beg the question: the Court of Appeals concurred with the District Court in finding non-obviousness, without reliance upon the failure of others and long-felt need. Those factors served in addition to reinforce the holding of non-obviousness.

#### 7. *The Peloschek Process Is Non-obvious*

Petitioner here does no more than state its bare contention, without support in fact or law. Petitioner also avoids mention that the District Court expressly found that the pertinent art is that of glass-bonding (A57) making inapplicable the capillary-action prior art relied on by petitioner. The Court of Appeals found pertinence of that prior art "extremely doubtful" (A13) and in any event insufficient to establish obviousness.

Thus petitioner's seven points fail, principally because they assume a state of facts either contrary to what was found below or absent from this record.

The truest test for obviousness is to stand in the shoes of those in the art before the patent in suit and to face the problem which the patentee faced, namely, to achieve production uniformity of tiny recording head gaps within close tolerances and to eliminate bubbles from the glass in the gap in the manufacture of recording heads.

The Trial Court specifically found:

"... the prior art does not suggest that capillary action would successfully produce gaps of precise predetermined size with reproducibility..." (A58)

and that

"Nowhere in the prior art references cited to the Court is there any disclosure which would make it clear to one skilled in the art that such an application of capillary action would be successful..." (A57-8)

in solving the problem faced by the patentees. The Court of Appeals concurred (A13-14).

These are findings of fact which are clearly correct. There is no rational relation between capillary action and bubble elimination. To the contrary, the workers in the art at first believed that the bubble problem might be worsened rather than solved if capillary action were tried [213a-215a]. No one faced with the bubble problem could rationally consider that capillary action was positively indicated as a solution. The same is true of the gap reproducibility problem.

It was petitioner's burden (which it failed to sustain) to show more than merely some use of the capillary principle in the prior art. There must be clear and convincing evidence that the capillary action principle could be and should be utilized to solve the specific problems faced by Peloschek. The clear evidence was to the contrary.

The non-obviousness of the patented process is also strengthened by the additional fact that the prior art fails to disclose or suggest the further distinguishing feature of the patented process, namely, *pre-setting* the gap to the required final dimension by holding a pre-dimensioned shim between the polished ferrite surfaces before and during bonding, thereby avoiding the prior art "sandwich" technique by which the ferrite pieces move together during the bonding, to an indeterminate final position.

The Courts below were correct in holding the patented invention to be non-obvious.

#### B. *The Invention Is Properly Claimed (Pet. 16)*

Petitioner's further contention here, based upon 35 U.S.C. 112, is both incorrect and unavailable to it here. This was an after thought, not urged to the District Court

at all.<sup>22</sup> In stating the issues on appeal, in accordance with Rule 30(b), Federal Rules of Appellate Procedure, defendant's counsel stated:

"The *sole issue* appellants will raise on appeal is whether the claims of the Peloschek *et al.* patent 3,246,382 are invalid as obvious pursuant to 35 U.S.C. 103."<sup>23</sup>

The point now presented (Pet. 1C) was first asserted to the Court of Appeals in Appellant's Brief. Accordingly, it was not properly presented to or properly before the Court of Appeals. This point was urged again on the Court of Appeals, in petitioner's Petition for Rehearing and Suggestion For Rehearing *In Banc*, denied by the Court. Accordingly this issue is not appropriate for consideration here, because not timely presented to the Court of Appeals.

In any event, there is no basis for petitioner's contention on this point.

Petitioner urges that the uniformity of gap is an afterthought, and in supposed support at Pet. 17 cites the *Lincoln Engineering case*.<sup>21a</sup> This is another perversion; as is made clear by a complete quotation<sup>24</sup> rather than the cropped version submitted by petitioner, that case refers to omission of the vital element *from the specification* (not the claims). Here, the desired reproducibility of gap length is *specifically described in the specification*, making this citation completely inapplicable.

<sup>21a</sup>*Lincoln Engineering Co. v. Stewart-Warner Corp.*, 303 U. S. 545 (1938).

<sup>22</sup>See defendant's proposed findings of fact to the District Court, which omit any mention of this point.

<sup>23</sup>Letter of April 27, 1976.

<sup>24</sup>"No such functioning . . . is hinted at in the specifications of the patent. If this were so vital an element in the functioning of the apparatus it is strange that all mention of it was omitted." 303 U. S. 545 at 550.

Petitioner appears to urge that the patent claims fail to particularly point out and distinctly claim the inventive subject matter. The Trial Court expressly found that the patent claims are sufficiently definite and "more than adequately inform those skilled in the art how to practice the invention and how to avoid infringement" (A50-51). This well-supported finding of fact disposes of this contention.

Moreover, this contention is sheer fabrication. The claims clearly specify those essential features which necessarily attain the strikingly successful results of gap-length reproducibility and bubble-elimination. Those features are the *pre-setting* of the gap between the polished ferrite pieces by a pre-dimensioned spacer equal in thickness to the desired gap length, *plus* introduction of the fluid glass from outside the gap by capillary action. Those features necessarily produce the results desired, and are specifically set forth in the claims, as will be evident from representative claim 1 quoted by the Court of Appeals at A4-A5. The Courts below so held (A45-47, A5-6).

There is no requirement in law that the *advantages* attainable by the invention must be stated in the patent *claims*. The advantages are rarely, if ever, recited, since no patentable weight is accorded to such claim recitations there, as this Court has held over many decades. In *Knapp v. Morss*, 150 U. S. 221, 227-8 (1893) this Court said:

" . . . [I]t is well settled by the authorities that the end or purpose sought to be accomplished by the device is not the subject of a patent . . . . In other words, the subject of a patent is the device or mechanical means by which the desired result is to be secured."

In the present situation, the steps of the process by which the desired result is to be secured are recited clearly and fully. The ends or purposes sought to be accomplished

(namely gap length reproducibility and bubble elimination) are not the subject of the patent monopoly, and, while aptly described in the specification, need not be recited in the claims.

This point is a further straw-man argument, unworthy of serious consideration here.

## 2. There Is No Conflict With Other Circuits (Pet. 17).

Petitioner again sets up a straw-man argument on this point. Petitioner would have this Court believe that the Second Circuit has relied *solely* upon what petitioner terms the "problem test". The fact is to the contrary.

The Court of Appeals and the District Court here both expressly follow the primary tests articulated in *Graham* which led to the conclusion of non-obviousness, and then confirmed that conclusion by reference to the secondary factors.

The decisions cited from other circuits are immaterial. They generally set forth the established principle that secondary considerations *alone* will not outweigh a *clear* showing of obviousness. However, they are inapplicable here, since the Court below found "a distinct advancement" (A15), an innovation "not foreshadowed" (A15), that the patent "differs significantly" from the prior art (A15), "overwhelming" proof (A13), and the rare praise of a "flash of brilliance" (A17), all of which sustain (and require) the conclusion of non-obviousness.

Both Courts below expressly considered and followed the *Graham* case (A35-36, A7). The Court of Appeals fur-

ther expressly considered the *Anderson's Black Rock, Sakraida* and *Dann* cases,<sup>24</sup> and found them inapplicable (A16-17).

There is no basis for petitioner's contention that an improper standard of law was applied, or that the Second Circuit has in any way departed from the standards applied by other Circuits.<sup>25</sup>

Far from being unmindful of the principles laid down by this Court, the Second Circuit has adhered closely to them. For example, in an even more recent case, *Digitelectronics Corp. v. New York Racing Association, Inc.*, F.2d , 193 U.S.P.Q. 577 (2 Cir., April 4, 1977), the Second Circuit expressly reaffirmed the principle that the secondary considerations cannot outweigh a clear showing of obviousness, and referred to the decision below in the present case as a precedent on the point that secondary considerations would be pertinent where the claim was not clearly obvious (193 U.S.P.Q. at 584).

Accordingly, it is clear that the Second Circuit has followed the precepts of this Court, and has *not* acted in conflict with them, or with other Circuits.

<sup>24</sup>*Anderson's-Black Rock Inc. v. Pavement Salvage Co., Inc.*, 396 U. S. 57 (1969); *Sakraida v. Ag Pro, Inc.*, *supra*; *Dann v. Johnston*, 425 U. S. 219 (1976).

<sup>25</sup>It is ridiculous to urge (Pet. 20) that the present decision would encourage forum-shopping, by focussing suits in the Second Circuit. See *Koenig*, "Patent Invalidity—a Statistical and Substantive Analysis" (Clark Boardman, 1976), Vol. 2, page 4-24, pointing out that in the Second Circuit only 20% of the patents sued on from 1953 through 1972 were held valid where validity was an issue. To similar effect, see *Dunner et al.*, "Patent Law Perspectives" (Matthew Bender) Vol. 4, pages App. 38, 39. There has clearly been no forum-shopping in this case, brought in the home district of both petitioner and respondent, and in the only forum where petitioner was available to be sued.

### Summary and Conclusion.

This petition is an attempt to relitigate concurrent findings of fact by the Courts below, which are well supported by the record.

The Courts below were correct in their concurrent holdings that the patent is valid.

The Courts below followed and did not conflict with the rulings of this Court.

There is no conflict with decisions of other Circuits.

The patented invention is properly claimed and disclosed.

There are no issues of great importance raised by this case.

Petitioner has seriously distorted the facts and the opinions of the lower courts here, to fabricate a counterfeit conflict which bears no relation to the record.

This case does not properly raise any point which merits the attention of this Court, and this petition should be denied.

Respectfully submitted,

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